



LAKE COUNTY
FLORIDA

Budget Process Overview and Schedule

January 27, 2015

Purpose



To present to the Board an overview of the budget process and the budget workshop schedule.

Presentation Outline



- **Budget Background**
- **Millages and Roll Back**
- **Budget Process**
- **Fund Balance and Reserves**
- **PO Carryforward**
- **Budget Calendar and Workshops**



Budget Background

What is a Budget?



- **A statement of the financial position of an administration for a definite period of time based on estimates of expenditures during the period and proposals for financing them**

What is a Budget?



REVENUE

Taxes
User Fees
License Fees
Permit Fees
Fund Balance
Bond Proceeds
Misc. Revenue



EXPENSE

Position Costs
Operating Costs
Capital Equipment
Capital Projects
Reserves

What is the purpose of a Budget?



- Financial Plan - a plan of what is projected to be received in revenue, as well as how much will be spent over the same time
- Operations Guide – used as a tool by organizations to guide operations, as well as capital expenditures
- Policy Document – provides information on goals, objectives, service levels, challenges, trends, and policies
- Communications Device - communicates to the Board and the public what is being done with tax revenues

* As defined by the Government Finance Officers Assoc. (GFOA)

What Guides our Budget?



- **Florida Statutes**
- **Best Practices – GFOA**
- **Generally Accepted Accounting Principles**
- **Local Policies**
 - **Ordinances and Resolutions**

Statutory Requirements



There are numerous Florida Statutes that address budgeting

- **Chapter 129 County Annual Budget**
 - **Establishes guidelines for County Annual Budget**
 - FS 129.01 “Budget system established.”
 - FS 129.03 “Preparation and adoption of budget.”
 - FS 129.04 Sets the “Fiscal Year”.

Statutory Requirements



- **Chapter 200 Determination of Millage**
 - **FS 200.065 Method of Fixing Millage**
 - Sets the timeline for establishing property taxes for all local governments and other taxing authorities – Truth in Millage (TRIM process)
 - **FS 200.011 Duty of County Commissioners and School Board in setting rate of taxation**
 - Establishes that the Commissioners determine the amount to be raised for all County purposes, except for county school purposes

Statutory Requirements



- **Budget must be balanced**
- **Defines budget process**
- **Establishes budget amendment process**
- **Defines budget system**
- **Defines fiscal year**
- **Establishes that it is unlawful to overspend the budget**
- **Budget shall conform to the State's uniform chart of accounts**

Professional Standards & Requirements



- **General Accepted Accounting Principles (GAAP)**
 - Standards and commonly accepted ways of recording and reporting accounting information
- **Governmental Accounting Standards Board (GASB)**
 - The highest source of accounting and financial reporting guidance for State and Local governments
- **The Standards ensure consistency**
- **Governs the preparation of the comprehensive annual financial report (CAFR)**

Best Practices - GFOA



- **GFOA has established a collection of practices that identify enhanced techniques and effective strategies for state and local government practitioners**
- **Lake County has been recognized for both the Budget Document and the CAFR by GFOA**

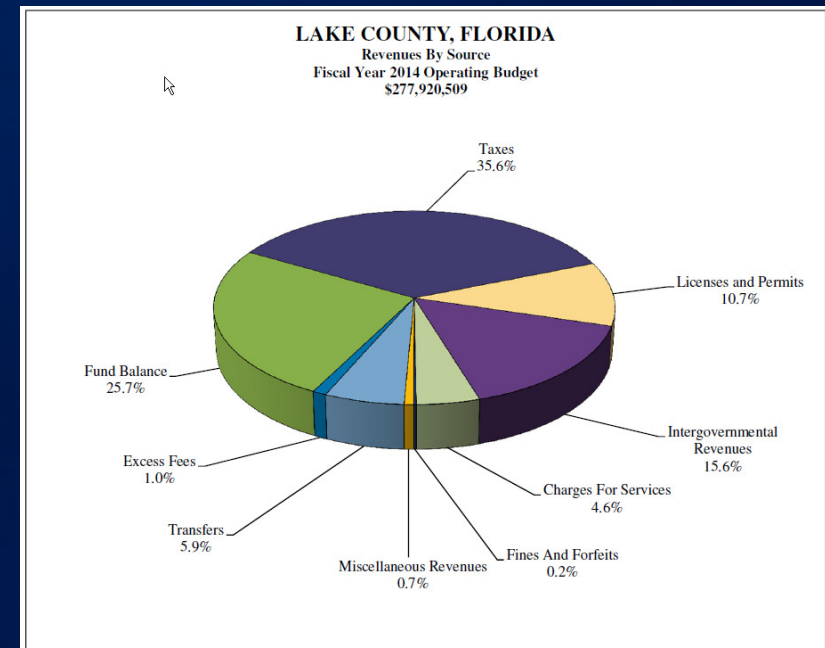


Millages and Rolled Back Rate

Revenues



- **Property Taxes**
- **Other Revenues**
 - Sales Tax
 - State Revenue Sharing
 - Impact Fees
 - Charges for Services
 - Assessments
 - Grants



Millages



Millages	Descriptions
Lake County Countywide Millage	Levied on all property in Lake County and funds the General Fund
Lake County Ambulance MSTU	Levied Countywide through agreements with cities, used for Ambulance and Emergency Medical Services
Lake County Stormwater, Roads, Parks MSTU	Levied in unincorporated Lake County
Lake County Fire MSTU	Levied in unincorporated Lake County, includes Astatula, Howey & Lady Lake
Lake County Public Lands-Voted Debt	Levied Countywide, supports debt service environmentally sensitive lands

Property Tax Calculation



Countywide Property Tax

- **Example:**

- Assessed value: \$150,000
- Less Homestead Exemption: (\$50,000)
- Taxable value: \$100,000
- 100,000/1,000 = 100 x 5.3856 = \$538.56

What is the Rolled-Back Rate?



- **Rolled-Back Rate**
 - Millage rate when multiplied times the tax roll, exclusive of new construction, would yield the same amount of revenue as was collected in the previous year
 - Under normal circumstances as the tax roll rises the rolled back rate would be lower than the previous year's millage levy

Budget Process

Fund Types

Expense Categories

Capital Improvement Projects

Budget Method

Budget Process



- Develop Budget Calendar
- Board Retreat
- 5 Year Projections

- Budget Kickoff
- Forms & Instructions
- Work Sessions with County Manager
- Certified Values
- Proposed Budget

- BCC & Public Review
- Set Tentative Millages

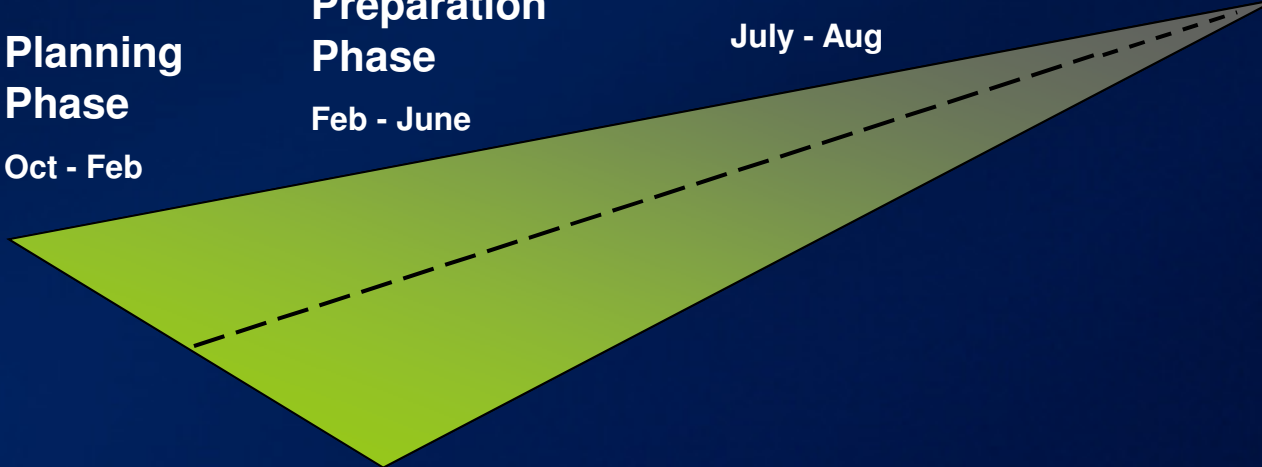
- Two Public Hearings
- Adoption

Planning Phase
Oct - Feb

Preparation Phase
Feb - June

Review Phase
July - Aug

Adoption Phase
September



Budget Process



Fund Types

Fund Types



- **General Fund**
 - Only fund that can be used for all County purposes
- **Special Revenue Funds**
 - Fire Rescue Fund, Building Services Fund, etc.
- **Debt Service Funds**
 - Public Lands Program, Expansion Projects Debt Service, etc.

Fund Types



- **Capital Funds**
 - Renewal Sales Tax Capital Projects, Public Lands Capital Program, etc.
- **Enterprise Funds**
 - Landfill Enterprise Fund
- **Internal Service Funds**
 - Fleet Management, Employee Group Benefits, etc.

Budget Process



Expense Categories

Expense Categories



- **Personal Services**
 - Salaries and benefits
- **Operating Expenditures**
 - Office supplies, fuel, contracts, etc.
- **Capital Expenditures**
 - Equipment, vehicles, etc.
- **Reserves**

Budget Process



Capital Improvement Projects

Capital Improvement Projects



- **Five year plan**
 - Includes funding sources and operating costs of finished projects
 - May also include Unfunded Projects
- **Approved through a separate process**
- **Adopted annually as a plan**
- **Included in adopted budget**

Types of CIP Projects



- **Roads**
- **Intersections**
- **Jails**
- **County Facilities and Buildings**
- **Parks and Athletic Fields**
- **Drainage**
- **Landfills**

Budget Process



Budget Method

Budget Method



- **Line Item Budget**
 - Based on Board priorities and evaluation of past expenditures
 - Focuses on items being bought or paid for
 - Travel, office supplies, fuel, etc.
 - Used to track how much is spent on items

Budget Method



Cost Center: 1108100 Economic Growth	FY-2015
Total Personal Services	\$200,000
Operating Expenses	
Contractual Services (830340)	\$100,000
Communications (830410)	\$1,000
Rentals and Leases (830440)	\$12,000
Insurance (830450)	\$5,000
Office Supplies (830510)	\$1,000



Fund Balance and Reserves

Fund Balance



- **Also known as Cash Brought Forward**
- **The excess of revenues over expenses within a fund for the fiscal year**
- **Considered as a revenue source for funding operations or projects during the next budget development**

Reserves



- **An amount set aside, that can be appropriated to meet unexpected needs**
- **There is no statutory minimum Reserve level**
- **Board policy dictates General Fund Reserves of 7% to 12%**
- **All other funds are evaluated in order to keep Reserves at reasonable and appropriate levels**

Fund Balance and Reserves



- **Example:**

Category	FY 2015 Adopted Budget
Beginning Fund Balance	\$600,000
Property Tax Revenue (95%)	\$4,750,000
<i>Total Revenues</i>	<i>\$5,350,000</i>
Expense Budget	\$5,000,000
Reserves	\$350,000
<i>Total Expenses</i>	<i>\$5,350,000</i>



Purchase Order Carryforward

Purchase Order Carryforward



- **Purchase Order**
 - A purchaser's written document to a vendor formalizing all the terms and conditions of a proposed transaction, such as a description of the requested item(s), delivery schedule, terms of payment and transportation

Purchase Order Carryforward



- **A Purchase Order encumbers the funds for a good or service**
- **A Purchase Order is reduced or closed once the good or service is received**
- **In some cases the good or service may not be received until the next fiscal year**
- **The open purchase order will need to be carried forward**

Purchase Order Carryforward



- **Policy LCC-93 – Reserve for Outstanding Purchase Orders**
 - Establishes an outstanding purchase order reserve for each fund
- **Purchase Order Reserves are calculated based on an analysis of the timing of the receipt of goods and services**
 - Analysis and adjustments happen three times during budget process
- **Purchase Orders are administratively rolled in the new fiscal year**

Purchase Order Carryforward



- Example – Purchase of a fire truck**

Date	Action	Result
January	Procurement completed and approved	Vendor and price identified
February	Purchase order generated	Fire truck ordered
August	Open purchase order report generated	Fire truck identified as being received in the next Fiscal Year
September	Purchase Order Reserve to include fire truck PO	BCC approves Purchase Order Reserve with Adopted Budget
November	Old year PO's are rolled into the new year	Those goods and services can be received and payments made
December	Fire truck received	Payment is made to vendor



Budget Calendar and Workshops

TRIM Calendar



Statutory TRIM Timetable

Day #	Date	Agency	Activity
1	July 1	Prop Appraiser	Certifies Taxable Value
35	August 4	Taxing Authority	Advises Property Appraiser of Proposed Millage
55	August 24	Prop Appraiser	Prepares Notice of Propsed Property Taxes (TRIM notices)
Between 65/80	Sept 3 – Sept 18	Taxing Authority	Hold Tentative or First Public Hearing on the budget and millage (Noticed on TRIM)
Between 80/95	Sept 18 – Oct 3	Taxing Authority	Advertises for Final Public Hearing to adopt a budget and millage rate
Between 2-5 days after ads	Sept 20 – Oct 8	Taxing Authority	Final or Second Public Hearing to adopt the budget and millage. Hearing cannot be held sooner than 2 days nor later than 5 days after it is advertised in the newspaper.

Budget Calendar

- **Feb. 3rd** – Budget Kickoff
- **March 27th** – Department Budgets due
- **April 27th – May 5th** County Manager Budget Meetings
- **June 1st** – Constitutional Budgets Due/Preliminary Property Values
- **July 1st** – Certified Values
- **July 15th** – Recommended Budget
- **July 21st** – Adoption of Millages for TRIM
- **Sept. 8th** – 1st Public Hearing
- **Sept. 22nd** – 2nd Public Hearing



January 23, 2015	Budget	Advertise Public Hearing for Mid-Year Budget Amendment (Green & Misc Adjustment) (F.S. 129.06)
January 27, 2015	Board of County Commissioners	Public Hearing for Mid-Year Budget Amendment to reflect FY 2015 grants and misc adjustments - Budget Workshop
February 3, 2015	County Manager, Department Directors, All Fiscal Contacts	Budget Kick-off
February 14, 2015	Finance	Munis V10.5 Upgrade, Budget Module is Available for Input
February 27, 2015	Human Resources	HR Leads Baseline Payroll in Munis
March 6, 2015	Department	Personal change requests are due in Human Resources. All requests must be entered on a Form 9 and submitted with attachments as appropriate. Confirm Overtime data with HR.
March 17, 2015	Human Resources	HR Leads Payroll in Munis with Changes/Overtime Included
March 27, 2015	Department	Deadlines for departmental budget requests into MUNIS, revenues and expenditures including CIP requests- Fixed Asset Request Forms, Budget Impact Statements
March 30 – April 24, 2015	Budget	Analyze departmental requests and prepare recommendations
April 3, 2015	Budget	Advertise Public Hearing for Mid-Year Budget Amendment (F.S. 129.06)
April 7, 2015	Board of County Commissioners	Public Hearing for Mid-Year Budget Amendment to reflect FY 2015 modified fund balances and other adjustments
April 27 - May 1, 2015	Department	Budget Meetings with County Manager
May 15, 2015	Department	Project re-budget requests due in Budget, Department Descriptions, Performance Measures, Pictures Due
May 18, 2015	Board of County Commissioners	Budget Workshop
May 20 – July 2, 2015	Budget	Develop FY 2016 Recommended Budget
June 1, 2015	Constitutional Offices, Judicials	Budgets due from Constitutional Offices (excluding Tax Collector) and Judicials. Preliminary estimates of property tax value due from Property Appraiser (F.S. 129.03)
July 1, 2015	Property Appraiser - Departments	Certification of Taxable Value by Property Appraiser (F.S. 193.023) - Fee Schedule Due
July 7, 2015	Board of County Commissioners	Budget Workshop
July 21, 2015	Board of County Commissioners	Adoption of TRIM Rates and Budget Workshop if needed
August 1, 2015	Tax Collector	Budget due from Tax Collector
August 4, 2015	Budget	Summary deadline to notify Property Appraiser of proposed TRIM rates and the date, time and place of the first public hearing to adopt the budget (F.S. 200.065)
August 24, 2015	Property Appraiser	Last day to mail TRIM notices
September 8, 2015 (Cannot conflict with School Board date)	Board of County Commissioners	Summary Public Hearing - adopt tentative budget and millage rates, set final public hearing date, time and place. TRIM provides the public hearing advertisement requirement.
September 18, 2015	Budget	(F.S. 200.065) Board Chambers, 7:05 p.m. Advertise final budget and millage hearing
September 22, 2015 (Cannot conflict with School Board date)	Board of County Commissioners	Final Public Hearing to adopt the FY 2016 millage rates and budget (F.S. 200.065) Board Chambers, 5:05 p.m.
September 28, 2015	Budget	Deadlines to send copy of adopted Millage Resolution to Property Appraiser, Tax Collector and Florida Department of Revenue
October 1, 2015	Property Appraiser	FY 2016 Adopted Budget goes into effect
Typically after Value Adjustment Board	Property Appraiser	Issue Certification of Final Taxable Value (OR 427.0)
Within 3 days receipt of Final Taxable Value	Budget	Complete Certification of Final Taxable Value and return to Property Appraiser
October 22, 2015	Budget	Within 30 Days of adopting final budget certify to the Department of Revenue compliance with TRIM (F.S. Chapter 200.064)
October 22, 2015	Budget	FY 2016 Adopted Budget Book completed and published on the County Website

As of Nov 18, 2014

Budget Workshops



- **Jan. 27th** – Process and Schedule
- **Feb. 10th** – Millages and Revenues
- **Tentative Workshops**
 - Libraries
 - Solid Waste and Landfill
 - Inmate Medical
 - Parks and Stormwater MSTU/ Public Works
 - Fire Rescue Budget and ISO
 - Fleet, Information Technology, Facilities Management
 - Public transportation
 - Human Services
 - Sales Tax, Internal Service Funds (Risk, Liability, & Others)
- **June 23rd** – Budget Summary, Property Values, & Constitutional Budgets



LAKE COUNTY

FLORIDA